

NSC BRIEFING

8 July 1959

INDONESIA

- I. President Sukarno's 5 July decree of 1945 constitution provides semblance of legality for continued exercise of virtually dictatorial powers.
 - A. President's cabinet, headed by Premier Djuanda, resigned 6 July. Sukarno himself will head next cabinet although "first minister" apparently will do bulk of work.
- II. Change in constitution does not provide any ready-made solutions to Indonesia's chronic problems of strong Communist party, insurgency, and deteriorating economy.
 - A. Sukarno, who has always preferred power to responsibility, is not likely undertake any determined personal efforts.
- III. Return to '45 constitution is strongly supported by army, which hopes to hold several portfolios in next cabinet.
 - A. Should army achieve greater political role it might make further efforts to curtail growth and activities of Communist party.

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